

October 25, 2007

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WASHINGTON, D.C. - U.S. Rep. Charlie Melancon (D-LA) today voted for the new, bipartisan compromise bill to reauthorize the State Children's Health Insurance Program (SCHIP). H.R. 3963, which passed the House with a strong bipartisan vote of 265 to 142, is a revised version of H.R. 976, the Children's Health Insurance Program (CHIP) Reauthorization Act. Like the original version, this bill continues to provide health care coverage for 10 million American children from lower income working families without health insurance.

However, the revised bill contains provisions clarifying that the SCHIP bill: 1) limits coverage to low-to-middle income children, and targets poor children first; 2) does NOT cover illegal immigrants; 3) phases out adults from the program; and 4) works to prevent children from moving from employer-sponsored private insurance to SCHIP.

"Uninsured children from working families in Louisiana desperately need this bill to be signed into law," said Rep. Melancon. **"Yesterday, Louisiana's Secretary of the Department of Health and Hospitals' said that if Congress does not pass this bill, the state will have to drop health insurance coverage for 36,000 Louisiana children over the next year. These children are from hardworking families that make a little too much to qualify for Medicaid, but not enough to purchase expensive private health insurance. These 36,000 children are our state's future, and we can not turn our backs on them."**

"Let us be clear: this bill does NOT provide coverage for illegal immigrants. It does

NOT provide coverage for children from high-income families. It does NOT create government-run health care. In fact, states cover most children in S-CHIP by enrolling them in private health insurance plans."

"What this bill DOES do, is provide health care coverage for almost 200,000 uninsured children in Louisiana. I will continue working in Congress to pass this S-CHIP legislation, so that more Louisiana children - not fewer - have the insurance coverage they need to grow up healthy and strong."

The bill passed by the House today includes the following provisions to address the concerns of some of the bill's opponents:

Provides Incentives To States To Find And Enroll The Lowest-Income Uninsured Children First.

- Permits states to only receive federal funding for children covered in CHIP with family incomes of up to 300% of the federal poverty level.
- As an incentive for prioritizing low-income children, states would be eligible for bonus payments only for the purpose of covering additional children on Medicaid, who are among the poorest in a state.

Further minimizes the substitution of employer-sponsored coverage with CHIP coverage.

- Requires all states to submit plans and implement recommended best practices for helping kids already covered stay in employer-sponsored coverage.
- Encourages states to use CHIP dollars to subsidize employer-sponsored health insurance for children as an option.

Targets CHIP for children.

- Phases out coverage of childless adults after one year.

Clarifies and Strengthens CHIP as a Program for U.S. Citizens.

- The measure bars illegal immigrants from enrolling in the program by mandating that when a state sends an applicant's name and Social Security number to the Social Security Administration (SSA), SSA would be required to verify that the applicant is a citizen. If SSA is unable to verify citizenship, the individual would be required to submit additional documentation to confirm eligibility.

- Clarifies that states will NOT receive Federal funding for payments made to non-citizens.

Created in 1997, the State Children's Health Insurance Program (SCHIP) provides funding to states to provide healthcare coverage for children in working families who currently lack health insurance, often because their parents cannot afford costly private insurance and their employers do not provide it for them.

Louisiana has one of the most successful SCHIP programs in the nation. In 1999, according to the Louisiana Department of Insurance, the percentage of low income, uninsured children in our state was 31.6 percent - the fourth worst in the country. Today, as a result of the program, that percentage has dropped to 12.5 percent - one of the nation's 10 best.

Like the CHIP bill that was vetoed by the President, the new compromise bill would reauthorize SCHIP for the six million children currently enrolled in the program and provides funding to cover an additional four million uninsured children who are eligible for but not currently enrolled in SCHIP.

Children in Louisiana would especially benefit from the CHIP Reauthorization Act. The bill would provide Louisiana with an additional \$60 million, for a total of \$144.1 million, to continue health insurance coverage for the 109,500 children currently enrolled in Louisiana's SCHIP program and to reach the 82,800 children from low income families with no health insurance who are not currently enrolled in SCHIP.

The bipartisan CHIP Reauthorization Act is supported by 43 governors and has been endorsed by more than 270 organizations, representing millions of Americans - ranging from groups such as the American Medical Association and America's Health Insurance Plans to Families USA, the consumer advocacy group.

A fact sheet on the bill is below.

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BIPARTISAN CHILDREN'S HEALTH INSURANCE

PROGRAM (CHIP) REAUTHORIZATION

- **Ensures health care coverage for 10 million American children.** The bill renews and improves the State Children's Health Insurance Program (SCHIP), reauthorizing it for five years. The bill ensures that 6 million children who currently participate in the Children's Health

Insurance program continue to receive health care coverage. It also extends coverage to nearly 4 million uninsured children, according to the nonpartisan Congressional Budget Office.

- **Invests \$35 billion in new funding.** The bill invests an additional \$35 billion over five years in SCHIP in order to strengthen SCHIP's financing; increase health care coverage for low-income, uninsured children; and improve the quality of health care children receive. As Republican Senator Grassley has pointed out, "As far as the size of the package, it's important to understand that about half of the new money is needed just to keep the program running, and the rest goes to cover more low-income kids."

- **Does not "expand" the State Children's Health Insurance Program (SCHIP); simply provides for enrolling children who are currently eligible but not yet enrolled.** This bill does nothing to "expand" the SCHIP program; it maintains current law regarding children's eligibility for SCHIP. Two-thirds of uninsured children are currently eligible for coverage through SCHIP or Medicaid - but better outreach and adequate funding are needed to identify and enroll them. This bill gives states the resources and incentives necessary to reach millions of uninsured children who are eligible for, but not enrolled in, the program.

- **Improves SCHIP benefits -- ensuring dental coverage and mental health parity.** Under the bill, quality dental coverage will now be provided to all children enrolled in SCHIP. The bill also ensures that states will offer mental health services on par with medical and surgical benefits covered under SCHIP.

- **Improves outreach tools to streamline enrollment of eligible children.** The bill provides \$100 million in grants for new outreach activities to states, local governments, schools, community-based organizations, safety-net providers and others.

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